

## 2005 EMPLOYER MEETINGS WRAPPING UP

This year's employer meetings will soon be coming to an end; however, you still have time to attend one of these informative sessions. The June schedule looks like this:

- |               |                       |                                |
|---------------|-----------------------|--------------------------------|
| ▪ McCall      | June 7 <sup>th</sup>  | The Hunt Lodge (Holiday Inn)   |
| ▪ Grangeville | June 8 <sup>th</sup>  | The Super 8 Motel              |
| ▪ Twin Falls  | June 20 <sup>th</sup> | Ameritel Inn (Blue Lake Blvd.) |
| ▪ Idaho Falls | June 21 <sup>st</sup> | Ameritel Inn (Lindsay Blvd.)   |
| ▪ Pocatello   | June 22 <sup>nd</sup> | Ameritel Inn (Bench Rd.)       |

**ATTENTION PAYROLL:**  
Please don't forget  
to keep your contact  
information current  
with PERSI.

Remember, general employers are meeting from 9:00 a.m. to noon, and the schools are meeting from 1:30 to 4:30 p.m. If you have any questions about the meetings, contact PERSI at (208) 334-3365. Be sure to watch for answers to the "parking lot" questions in an upcoming issue of *News To Use*.

## RECAPPING THE SICK LEAVE CONTRIBUTION RATE CHANGE

The value of the unused sick leave liability for school districts has been increasing over time, due in part to the amount of sick leave they grant each year. As a result, the amount of sick leave accrued at the time of retirement is increasing, which increases the cost of funding unused sick leave benefits for all districts. Because of the growing disparity in the amount of sick leave being granted by the various school districts, it was determined that a single rate for districts has become inequitable.

PERSI responded by taking a closer look at the funding of the unused sick leave program for school districts. A study was done to ensure the stability of the fund and to meet the future funding of liabilities. The study focused on three areas:

- Administrative Practices of Employers
- Unused Sick Leave Program Funding
- Employer Liability Differential

A task force of school board, administration, and employee members was formed to complete the study, review the materials, and make recommendations to the Retirement Board.

After reviewing the task force recommendations, the Retirement Board agreed, based on the most recent actuarial valuation, the ultimate contri-

bution rate should be a weighted rate of 1.28 percent of pay. It was also decided those districts with a higher liability in the valuation should pay more than the districts with a lower liability in the system.

The new rules will increase the overall contribution rate for school districts, and also provide different contribution rates based on the number of days of sick leave granted to teachers by each school district. The new rates go into effect July 1, 2006. By delaying the increase for one year and using a three-year phase-in approach, the Board felt the school districts would have adequate time to prepare their budgets for the change. PERSI will continue to monitor the rates, accrual limits, and liabilities for each employer to ensure equity among districts within each group. A single phased-in rate will be assigned to each school district based on current PERSI Class 3 sick leave accruals, as shown in the table below.

Beginning	7/1/06	7/1/07	7/1/08
9-10 days	1.16%	1.18%	1.21%
11-14 days	1.26%	1.35%	1.44%
More than 14 days	Retirement Board will set individual rate based on current cost and actuarial data and review annually.		

# MEMBER EDUCATIONAL PROGRAM STILL GOING STRONG

It's been five years since PERSI first began offering no-cost workshops to members. The workshops were designed to educate members on their retirement benefits and to provide retirement strategies and financial planning insights. Back then, no one had any idea the workshops would become so popular. Because of this unprecedented popularity and increased demand, the current schedule is being reviewed to see if more workshops can be offered in the upcoming months. As part of our continuous improvement efforts, PERSI is always exploring ways to best serve its members.

With Social Security issues, rising medical costs, increased longevity, and the desire to live a more active life in retirement, today's workforce is recognizing the importance of saving for retirement. Early planning and informed decision-making are key elements in reaching retirement goals. The PERSI education program is a resource that can help smooth out the road to retirement. Members are not told what to do, but educated on retirement issues so they make the best choices.

## ABOUT THE WORKSHOPS

**PERSI 101**—This is a two-hour primer on the Base Plan and the Choice Plan 401(k), with an introduction to financial planning principles. At this workshop, members are urged to start saving for their retirement and are shown how a mere 2 percent savings can grow into a nice nest egg for their future.

**PERSI 202**—After a quick review of the PERSI plans, this two-hour workshop takes an in-depth look at financial planning, covering areas such as asset allocation, investment vehicles, tax implications, and diversification. Members are encouraged to establish a financial plan and set future goals.

**PERSI 505**—This all-day workshop targets members who are within five years of retirement. Among other things, members will learn how to coordinate their PERSI benefits with Social Security, what health care costs they may face in retirement, the need for insurance, and the importance of having a will. This popular workshop requires pre-registration. It often has a waiting list, so interested members are encouraged to register

early. Spouses and partners may attend, but they must be registered as well.

## THE WORKSHOP TEAM

PERSI has two full-time trainers on staff—Bill Duncan and Maxine (Max) Thomas. Both have the credentials and experience to help members understand their retirement options, and the passion for helping members get the answers to difficult questions.

Before joining PERSI, Bill spent five years in financial planning with American Express. He holds a bachelor's degree in education from Wichita State University and bachelor's degree in political science and psychology from Boise State University. Max applied her education and training skills in a variety of business environments before coming to PERSI, including Idaho's Department of Health and Welfare. She holds a master's degree in instructional and performance technology from Boise State University, and a bachelor's degree in education from Seattle University.

Rounding out the workshop team is Betsy Griffith. She provides a wide range of support to ensure members are correctly registered and they know the workshop location, hours, and materials to bring. Betsy also maintains a waiting list for the 505 workshops and notifies members on the list about any openings.

Employers are encouraged to let their employees know about and attend the PERSI workshops. Your human resources department can contact Bill (287-9292) or Max (287-9291) to arrange a 101 or 202 workshop, or you can visit the PERSI Web site at [www.persi.state.id.us](http://www.persi.state.id.us) for more information.

## Notes

PERSI co-hosted the annual Cost Effectiveness Measurement (CEM) conference held in Boise May 17-19, 2005. The conference attracted benefit administrators from around the world. As part of the agenda, attendees toured PERSI and participated in a 90-minute presentation about the Idaho retirement system. Much of the conference focused on ways to improve member services.